



REPLY TO  
ATTENTION OF:

## DEPARTMENT OF THE ARMY

Military Traffic Management Command  
Operations Center  
Fort Eustis, VA 23604-5339

### Terminal Operations Division

Dear Partner Shipping Companies:

**Subject: Application to Enter into MTMC's Commercial Ammunition/Explosives Program (C-AMMO-0XX)**

Welcome and thank you for expressing interest into our commercial ammunition and/or explosives through the Military Ocean Terminal at Sunny Point, NC (MOTSU). All requests for operational use at MOTSU will be made to Military Traffic Management Command, Operations Center (MTMC-OPS), ATTN: Terminals Operations Division, 661 Sheppard Place, Fort Eustis, VA 23604-1644, Fax number 757-878-8070 and with a faxed copy to Commander, MOTSU, Director of Operations at (910) 457-8625.

To help expedite the administrative processing of all requests must be submitted at least 90 days prior to the estimated date of projected shipment by the shipper for vessel loading/discharge. Please complete and refer to Attachment A (Application to enter into the MTMC's Commercial Ammunition/Explosive Program) for processing.

All commercial cargo inbound or outbound from MOTSU will be handled IAW the Master Commercial Sales Agreement and MTMC procedures. Any shipment arriving prior to full compliance of MTMC procedures will be returned to the sender at their expense and/or refused admittance to the MOTSU facilities.

The MTMC-OPS-T will be responsible for accepting and processing all applications requesting entry into the program. MOTSU is the final authority concerning acceptance or refusal of shipments for any reason and for offering alternate dates based on items such as workload and cargo preparation.

If you have any questions, please feel free to contact any of the following individuals: Mr. Wayne A. Howard, (757) 878-8543, SFC Joyner (757) 878-8541, Ms. Beverly Winn, (757) 878-8614; and Mr. Charlie Long, (757) 878-7749.

Respectfully Yours,

Dennis O. Faver  
Colonel, TC  
DCSOPS

**Letterhead of  
Private Company or Non-DOD Government Requester**

**To: Commanding Officer, HQ MTMC-OPS ATTN: MTDC-OP, 661  
Sheppard Place, Fort Eustis, Virginia 23604-5000**

**Subject: Application to Enter into MTMC's Commercial Ammunition/Explosives  
Program (C-AMMO-015)**

- Encl:**
- (1) Three signed copies MTMC-Master Commercial Sales Agreement (MCSA)**
  - (2) A list of corporate representatives who are authorized to bind the corporation and their phone numbers**
  - (3) A list of any approved shipments through a Department of Defense terminal or port in the previous three years**
  - (4) A list of anticipated agents with address and phone numbers**
  - (5) A list of the type of explosives and the net explosive weight anticipated to ship from the terminal**
  - (6) An estimate of the number of shipments during the next 12 months**
  - (7) Certificate of insurance for the at least \_\_\_\_\_ amount**
  - (8) Proof of HAZMAT certifications**

**1. Insert Company Name, submits its request to become an approved commercial shipper authorized to use the facilities at the United States Army Military Ocean Terminal Sunny Point at Southport, North Carolina.**

**2. All required Military Traffic Management Command required documentation is attached.**

**3. If you need any further assistance, contact \_\_\_\_\_ at the phone number \_\_\_\_\_.**

\_\_\_\_\_  
***Representative Name***  
***Title***

**Date** \_\_\_\_\_

## **Master Commercial Sales Agreement for the Sale of Defense Services**

- 1. Purpose:** This agreement provides general requirements for using the United States Army Military Ocean Terminal Sunny Point (MOTSU) terminal services. This agreement is not a contract. The contract between the parties is formed when MOTSU performs the requested service pursuant to a service order agreement that authorizes performance of the requested service. This agreement neither binds the United States Government to provide any services or the Commercial Customer to request any services.
- 2. Parties:** The parties of this agreement are (Commercial Customer XXXXXXXXXXXX), a corporation organized and existing under the laws of the State or country of UNITED STATES OF AMERICA (Commercial Customer) and the United States Government represented by the United States Army Military Traffic Manage Command (MTMC).
- 3. Authority:** This agreement outlines the general terms and conditions of performance between the parties. It outlines the requirement for the application for shipment of commercial cargo and approval process.
- 4. Definitions:** See attachment 1.
- 5. Request for Shipment:** (a) The Commercial Customer is required to submit a request for shipment to the Military Traffic Management Command, Operation Center, ATTN: MTDC-OPS-T, Military Traffic Management Command Operations Center, 661 Sheppard Place, Fort Eustis, VA 23604-5078, Fax number 757-878-8070 and with a copy faxed to Commander, Military Ocean Terminal Sunny Point, Director of Operations at (910) 457-8625. This request must be completed and provide all the information as required by the requester for the handling and discharge of Commercial Ammunition/Explosive shipments IAW and to this agreement. Failure to provide any of the required information or documentation shall result in the return of your request. A request will not be processed for approval until all required information is furnished. Once MTMC-OPS-T receives a completed packet based upon request, it shall make a determination on whether it can provide the requested services. If MOTSU cannot provide the requested services, then MTMC-OPS-T will notify the requester and return the request. If MTMC-OPS-T determines that MOTSU can provide the requested services, then MTMC-OPS-T will forward the request and a recommendation on whether or not providing the requested services is in the Army's best interests to the MTMC Commander.
- 6. Request Approval:** The Commander of MTMC is the final approval authority for any requests for service. Submittal of shipment request to MTMC-OPS-T does not indicate approval. The approval authority rests with Commander MTMC. Commander MTMC has complete discretion on whether to approve the request and to authorize MTMC-OPS-T to enter into a service order agreement. The granting of approval for shipment is based on whether it is convenient for MTMC and in the national interest to provide these services. No services shall be performed by MOTSU without the express written approval from the Commander of MTMC.

**7. Service Order Agreement:** (a) If providing the requested services is authorized, then MTMC-OPS-T will issue a service order agreement stating the specific terms of performance and costs associated with that particular shipment. The terms and conditions of this master agreement are reference and incorporated by every service order. The Commercial Customer and MTMC-OPS-T must agree to the service order terms before MOTSU provides any services; (b) It will be the responsibility of the shipper to ensure that all commercial transportation service provider(s) are aware of MOTSU requirements when entering and operating on MOTSU.

**8. Cancellation:** After authorization is granted, MTMC reserves the right to unilaterally withdraw authorization and cancel the service order if the Commander of MTMC-OPS-T determines that the non-DOD shipment may adversely affect MOTSU's current military mission/operation or because of other national interests. MTMC-OPS will notify the Commercial Customer as soon as practicable if it must cancel an approved shipment. The Army shall not be liable for any costs or financial harm incurred by the Commercial Customer due to the cancellation of a service order and the failure to provide terminal services.

**9. Payment:** (a) The Commercial Customer agrees to reimburse MTMC-OPS all man-hour costs associated and related to the use of terminal services and equipment. These services include the commitment made by the government in assisting the commercial customer during the planning and supervision of the wharf, rail, and terminal operation. The service order agreement will give an estimated cost of the requested services. The Commercial Customer shall send MTMC-OPS an advance certified check payment to cover all cost associated in handling of shipment. The certified check must be addressed to Department of Treasury. Advance check payment will be mailed to: Commander, Military Traffic Management Command, Operation Center, ATTN: MTDC-RM, 661 Sheppard Place, Ft Eustis, VA 23604-5000, FAX number 757-878-8070. If the Commercial Customer fails to make the advance payment, MOTSU will not perform the service, (b) MTMC-RM and Department of Treasury will invoice the Commercial Customer and refund any advance payment amount that exceeds MTMC costs; (c) The Commercial Customer agrees to pay MTMC-OPS in full within 14 days of receipt of the invoice for all costs associated with performing the service that exceeded the advance payment; (d) The Commercial Customer shall be charged the current Prompt Payment Act interest rate for any period the invoice is not paid within the 15 days of receipt of the invoice; (e) The Commercial Customer is liable for any costs associated with collecting payment; (f) Failure to make timely payment will result in denial of any future requests for service until the payment is received.

**10. Indemnify:** The Commercial Customer agrees to indemnify and hold harmless the Army and all other entities of the United States Government from and against any and all causes of actions related to: suits, claims, damages, and demands of what ever kind or nature, including claims for consequential damages, claims for personal injury, wrongful death, breach of contract, property damage, natural resource damage, loss of income and earnings, civil or criminal fines that are incident to or result from the use of MOTSU or

any service provided by MOTSU, hereinafter "damages." The United States Government shall defend MTMC, OPS and all other entities from any legal or equitable action brought against the Army based on said damages, and pay all expenses and attorney's fees in connection therewith. Except, that portion or percentage of such losses, damages, claim, etc., caused by the gross negligence or wrongdoing of an Army employee or agent.

**11. Army Liability:** (a) The Army or any other entities of the United States Government shall not be liable for any loss or damage to any cargo, personal property, container, vessel, truck or rail road equipment handled by MOTSU or stored at MOTSU resulting from fire, water, collapse of buildings, sheds, platforms or wharves/piers; settling of floors or foundations; breakage of pipes or for loss or damage caused by frost or elements, nor shall it be liable for any delay, loss or damage resulting from strikes, tumult, insurrection, acts of governmental authorities, force majeure, or acts of God, (b) Any limitation of liability contained in the Bill of Lading or other document by which goods are traveling shall, to the extent offered to MTMC-OPS as terminal operator and cargo handler, apply to and inure to the benefit of the Army, (c) The extent of Army liability is limited to only the loss or damage to cargo caused by the gross negligent or wrongful conduct of Army employees in the performance of these services.

**12. Commercial Customer Liability:** (a) The Commercial Customer shall be held responsible for all damages, accidents and claims related to the injury of personnel and property (i.e., facilities, rail-lines and wharf) resulting from their use or their agent's use of MOTSU except for that portion of or percentage of such damages, caused by the gross negligence of Army personnel, (b) MTMC reserves the right to repair or contract for the repair of such damage, (c) MTMC-OPS may detain the vessel responsible for damage until security amount has been received in the amount of the damage. Vessel master will be notified prior to sailing of any indication of damage caused by the vessel or crew.

**13. Surety:** (a) The Commercial Customer XXXXXXXXX should provide insurance in the aggregate amount of \$45 million dollars for this operation. (a) The aggregate amount of the insurance reflect the minimal amounts maintained by the customer in the amount of (1) \$15 million third-party property damage; (2) 15 million third-party personal injury per person; and (3) \$15 million third-party personal injury per accident. (b) Also, the Commercial Customer shall include the following language in its insurance policy:

(1) The insurer waives any right of subrogation against the United States of America, which might arise by reason of any payment under this policy. (2) The United States of America, Department of the Army is added as an additional insured in operations of the policyholder at or from United States Army Military Ocean Terminal Sunny Point, Southport, North Carolina, (c) For each request for shipment the Commercial Customer will provide proof of insurance for this amount, (d) MTMC-OPS may also require the Commercial Customer to provide proof of additional insurance or a bond for a particular shipment before MTMC-OPS submits the request to HQMTMC for approval, (e) Failure to provide proof of insurance or extra insurance or bond shall result in the non-processing of the Commercial Customer's request for shipment.

**14. Cargo Insurance:** The Commercial Customer or the cargo owner alone is responsible for self insuring its own property to protect from any loss.

**15. Terminal Rights:** MOTSU controls the loading, unloading, and handling of all cargo on the premises and facilities under its control. The MOTSU will perform any and all services that it offers to perform under this agreement and any service order agreement issued. The MOTSU Commander may refuse the use of MOTSU's facilities for handling any cargo considered by the Commander as constituting undue risk to MOTSU and/or the surrounding area.

**16. Discharges:** The discharging of ballast, rubbish or dunnage in the slips, channels, or at MOTSU berths is prohibited. The Commercial Customer is responsible for the actions of the vessel. If the vessel makes any prohibited discharges or violates any applicable environmental laws or regulations the Commercial Customer is liable for all costs incurred by the United States Government associated with the prohibited discharge or violation. The vessel must comply with all local, state, federal and international environmental laws and regulations. Any programmed Import Commercial Ammunition/Explosive shipment must clear the installation property within 7 days of its discharge date.

**17. Environmental:** All environmental issues such as spills and/or leaking containers (releases) will be handled in accordance with the MOTSU Installation Spill Contingency Plan. The Commercial Customer agrees to be responsible for all costs associated with the clean up, repackaging, and disposal involved with any release.

**18. Standard of Performance:** When MOTSU handles a shipment it is only responsible to exercise reasonable control and care of the cargo in its custody.

**19. Berthing:** The MOTSU terminal operator may order any vessel to vacate any berth when MTMC-OPS-T deems that the continued presence at such berth would be a potential hazard to the vessel; the berth; MOTSU facilities; the rights, property, or safety of others; or would interfere with MOTSU military mission/operations. Notice to vessel shall be provided at least four hours in advance of said time to vacate the berth. If a vessel fails to promptly vacate as ordered, the Commercial Customer shall be responsible for any damage or expense that may be incurred by MTMC-OPS-T or others as a result of such failure to vacate. MTMC-OPS shall have the option, but not the duty, of moving the vessel to another location at the risk and expense of the vessel. If such movement occurs, the vessel and/or the Commercial Customer shall hold MTC-OPS harmless for any damage or liability incurred as a result of such movement regardless if negligence on the part of the government caused or contributed to the damage. In addition, liquidated damages in the amount of \$1,000 per hour for each hour of non-compliance shall be assessed against the Commercial Customer.

**20. Vessel Rejection:** MOTSU can reject a vessel at any time if that vessel fails to provide or have on board all required licenses, certifications and other legal documents required for the shipment; if it is determined that the vessel provides a health, safety, or environmental risk, or the shipment adversely affects the military mission/operations, or

the Commercial Customer fails to make timely payment, or if the MOTSU Commander determines that either the vessel or its cargo is not suitable for handling through the terminal the vessel will be rejected by MOTSU.

**21. Legal Compliance:** (a) The Commercial Customer and its agents shall comply with all applicable international, federal, state and local laws, executive orders, rules, policies and regulations. (b) The Commercial Customer is responsible for acquiring all necessary import and export clearances, certifications, approval and other required documentation. (c) Neither MOTSU nor MTMC-OPS is responsible for processing, acquiring or correcting any certifications or other documentation on behalf of the Commercial Customer or its agents for the shipment of cargo. (d) The Commercial Customer, its agents and vessels to include owners and agents shall permit Government personnel access to manifests, loading, or discharge lists, rail or motor carrier freight bills; or other pertinent documents. (e) The Commercial Customer will ensure that both the U.S. Customs and the U. S. Agriculture Department are notified and available to inspect and clear any inbound shipments that all documentation is provided to MOTSU Traffic Management Division prior to vessel arrival.

**22. Access:** None of the Commercial Customer's employees, agents, or agent's employees will enter any area other than the terminal area without written authorization from the MOTSU Commander.

**23. Documentation:** (a) The Commercial Customer shall provide MTMC-OPS-T all Customs, Coast Guard, Department of State and any other legally required certification or documentation for the handling of the cargo as if it was shipped from or into a United States commercial marine terminal or port. (b) In addition, the Commercial Customer or the vessel shall provide a copy of all ship manifests, loading or discharge lists, rail or motor carrier freight bills or other pertinent documents for the purpose of determining correct billing costs. (c) Failure to provide any required information will result in the rejection of the vessel and terminal services will not be provided. (d) If documentation is incorrect, and must be corrected by MOTSU personnel to facilitate shipment expediting, the commercial shipper will be charged full documentation fee as cited in the MTMC-OPS cost listing for services performed.

**24. Cost Reimbursement Basic Service:** The basic-service-cost rate for the Commercial Ammunition/Explosive rates are guided by MTMC rates and subject to based upon 40 cubic calculations. This includes MOTSU participation in the receipt, discharge, and handling of this cargo within the terminal. Commercial Ammunition/Explosive Applicant, XXXXXXXXXXXXX is responsible for its arrangements with other carriers and stevedores involved in this move.

**25. Extra services:** Any services provided by the Army not mentioned in paragraph 23 of this agreement are considered extra services and are not included in the basic-service-cost rate. The Commercial Customer is liable to pay all costs associated with providing these extra services in addition to the basic-service-costs. Extra services include but are not limited to the following services: (a) overtime costs when services are performed at times other than the normal duty hours, (b) special equipment rental and operator costs, (c)

container storage, (d) devanning and vanning containers for U.S. Customs or other federal or state inspection, (e) fumigation containers, (f) cleaning facilities left unclean by Commercial Customer or its agents, (g) wharf age use cost, for any period after expiration of the free time cited in paragraph 23 (a) above, (h) any delay costs arising from the Commercial Customer's, or its agent's conduct, or their failure to act or provide required documentation, and (i) documentation costs incurred by MTMC to correct defective or acquire missing documentation.

**26. Cleanliness:** All users of the Terminal are responsible for cleaning facilities after their use. If Commercial Customer or its agents fail to properly clean the facilities MTMC-OPS will charge the Commercial Customer an additional fee for the cleaning costs.

**27. Storage:** (a) Military Ocean Terminal Sunny Point does not engage in the business of storage or warehousing of property on its wharves and in its facility. The Commercial Customer must coordinate with MOTSU's Traffic Management Division prior to vessel arrival to make arrangements for onward transportation via either commercial highway or commercial rail of inbound cargo and completion date must be accomplished within 7 days of discharge date. (b) The MTMC is not responsible for any loss or damage to property remaining on the wharves or elsewhere in MOTSU except for that portion of or percentage of such losses or damage caused by the gross negligence of Army personnel. (c) Any property landed or received on any of the wharves or facilities is placed there at the risk of the owner and MTMC has the right to remove any or all such property to any part of MOTSU at MTMC's convenience and at the expense of the owner. (d) Outbound cargo may not be brought into MOTSU for loading onboard a vessel prior to the sailing date of such vessel. Handling of such cargo to or from, on or across, MOTSU shall be a continuous operation from land transport to the vessel. (e) Inbound cargo must be moved directly to land transport and removed from MOTSU without delay. Under no circumstance will cargo be permitted to be stored on MOTSU longer than 1 day.

**28. Authority to Board Vessels:** Any vessel within MOTSU's jurisdiction must permit MTMC employees or its agents to board the vessel at any time.

**29. Manning of Vessels:** All vessels at MOTSU shall be manned at all times by at least one person with authority to take charge of the vessel and carry out the orders of the MOTSU Commander or to act in case of emergency. Such vessel shall also be manned at all times by and with a sufficient crew to take any action required by the MOTSU Commander or in an emergency.

**30. Representative:** The Commercial Customer is required to have an authorized representative present at MOTSU during all operations. This representative will have full authority to act on the behalf of the Commercial Customer.

**31. Safe and Strong Gangway:** The vessels must have a safe, strong and properly secured gangway of adequate length to permit the safe passage of persons to and from the vessel.



**32. Termination:** This agreement may be terminated by MTMC at any time for any reason with no obligation or compensation to the Commercial Customer. The Commercial Customer may terminate this agreement with two weeks prior notice. If the Commercial Customer terminates this agreement after the issuance of a service order agreement, the Commercial Customer agrees to reimburse MTMC any costs associated with the processing and cancellation of that service order agreement.

**33. The effective date of this agreement is 19 April 2002.**

\_\_\_\_\_  
Commander MTMC                      date

\_\_\_\_\_  
President of XXXXXXXX                      date

**Master Commercial Sales Agreement for the  
Sale of Defense Services  
Definitions --Attachment 1**

The following definitions are included the Master Commercial Sales Agreement for the Sale of Defense Services and any service orders arising from this agreement.

**1. Explosive materials and other dangerous articles consisting of those items in the following categories:**

- a. Explosives, Class 1.1, 1.2, 1.3 and 1.4**
- b. Military explosives and hazardous munitions, Class 1.5 and 1.6**
- c. Fertilizer grade ammonium nitrate (as described in A. References 2)**
- d. Initiator explosives are not considered explosive materials for shipment under this agreement.**

**2. Defense Security Assistance (DSA) includes Foreign Military Sales (FMS) and the Military Assistance Program (MAP). Foreign Military Sales are made under authority of the Arms Export Control Act to sell defense articles, services, and training to foreign governments. The Military Assistance Program is a grant aid program that is carried out under authority of the Foreign Assistance Act of 1961 as amended, to grant or loan defense articles or services to foreign governments. FMS and MAP are agreements between the United States of America's government and foreign government.**

**3. Container – For the purpose of this operating procedure, a container is a 20' or 40' commercial container that may hold up to 32 or 64 measurement tons.**

**4. Normal Duty Hours – Normal duty hours at MOTSU are Monday – Friday from 0730 – 1630 hours.**

**5. Free Time – The amount of time cargo will be allowed to stay on MOTSU before being charged storage at the MTMC billing rate.**

**6. ACRONYMS**

<b>CCC</b>	<b>- Cost Center Codes</b>
<b>CX</b>	<b>- Categorical Exclusion under the provisions of AR 200-2</b>
<b>DSA</b>	<b>- Defense Security Assistance</b>
<b>FAC</b>	<b>- Facility Codes</b>
<b>FMS</b>	<b>- Foreign Military Sales</b>
<b>FORDTIS</b>	<b>- Foreign Disclosure and Technical Information</b>
<b>FVS</b>	<b>- Foreign Visits System</b>
<b>IAW</b>	<b>- In Accordance With</b>
<b>MAP</b>	<b>- Military Assistance Program</b>

**MCSA** - Master Commercial Sales Agreement  
**MTMC** - Military Traffic Management Command  
**MTMCR** - Military Traffic Management Command Regulation  
**MTMC-OPS** - Military Traffic Management Command, Operations Center  
**MOTSU** - Military Ocean Terminal, Sunny Point  
**MTDC-OP-T** - Military Traffic Management Command – Deployment Support  
                   Command Operations – Terminals Division  
**NEPA** - National Environmental Policy Act  
**OPS** - Operations  
**OPS** - Operations Center  
**OPS-JA** - The Office of the Staff Judge Advocate, Military Traffic Management  
                   Command, Operations Center  
**RCAC** - Reimbursable Cost Accounting Codes  
**RM** - Resource Management  
**RMB** - Resource Management/Budget Division  
**RMI** - Intermodal Cargo Analysis Division  
**RMM** - Manpower and Programs Division  
**RMS** - Stevedore and Contracting Systems Division  
**RVA** - Request for Visit Authorization  
**TAC** - Transportation Account Codes

\_\_\_\_\_ date  
 President of XXXXXXXX